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December 29, 2011

VIA ELECTRONIC-DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Proceeding for Approval of the Public Utility Regulatory Policies Act of 1978 (PURPA) Avoided Cost Rates for Electric Companies. Application of Progress Energy Carolinas, Inc. for Approval of Its Revised Cogeneration and Small Power Producer Schedule CSP-28.
Docket No. 1995-1192-E

Dear Ms. Boyd:

This is to inform the Public Service Commission of South Carolina ("Commission") that the South Carolina Office of Regulatory Staff ("ORS") has reviewed the filing in the above referenced Docket and discussed this matter with Progress Energy Carolinas, Inc. ("Company") personnel. Based on the information provided, ORS does not have an objection to the Company's request to revise the Cogeneration and Small Power Producer Schedule CSP-28. This Schedule has been updated to reflect changes in the Energy and Capacity Credits that are paid to Qualifying Facilities.

The Company's proposed changes only revise the Energy and Capacity Credits and no other modifications to this schedule are requested. The proposed changes result from updates to the Company's avoided costs and are detailed below.

Energy Credit:

	<u>Current</u>	<u>Proposed</u>
On-Peak kWh	5.680¢ per kWh	5.249¢ per kWh
Off-Peak kWh	4.413¢ per kWh	4.641¢ per kWh

(Continued...)

Capacity Credit:

	<u>Current</u>	<u>Proposed</u>
Summer	4.425¢ per kWh	4.767¢ per kWh
Winter	3.920¢ per kWh	4.301¢ per kWh

Thank you for the opportunity to provide our comments in this matter.

Sincerely yours,



John W. Flitter
JWF/lcf

cc: Dan F. Arnett, Chief of Staff, SC ORS
Florence P. Belser, General Counsel, SC ORS
Nanette S. Edwards, Chief Counsel and Director of Legal Services, SC ORS
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